METHODS AND SYSTEMS FOR PROVIDING AN AVERAGE PRICING CONTRACT FOR THE SALE A OF A COMMODITY

Abstract of the Disclosure

An Average Pricing Contract (APC) specifies the type of commodity and quantity of the commodity to be sold, as well as a plurality of pricing points for pricing the commodity. The APC stipulates that the sale price of the commodity will be based on an average of current cash market prices at the specified pricing points. The current cash market price of a commodity can be determined by obtaining a futures price of the commodity for a particular delivery location, and adjusting this futures price by a predetermined basis value. The APC will also state the delivery periods for physical delivery of the commodity and include the physical delivery location. An optional automatic hedging transaction is available for buyers who wish to offset risk that the commodity price will unexpectedly increase. In addition, the present invention can include displaying the progress of pricing the commodity, displaying final pricing information, and displaying the progress of delivery.